General Assembly

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Sixty-second session
Agenda item 52 (*a*)

Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/62/417/Add.1)*]

62/183. Unilateral economic measures as a means of political and economic coercion against developing countries

The General Assembly,

Recalling the relevant principles set forth in the Charter of the United Nations,

Reaffirming the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations,[1] which states, inter alia, that no State may use or encourage the use of unilateral economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights,

Bearing in mind the general principles governing the international trading system and trade policies for development contained in relevant resolutions, rules and provisions of the United Nations and the World Trade Organization,

Recalling its resolutions 44/215 of 22 December 1989, 46/210 of 20 December 1991, 48/168 of 21 December 1993, 50/96 of 20 December 1995, 52/181 of 18 December 1997, 54/200 of 22 December 1999, 56/179 of 21 December 2001, 58/198 of 23 December 2003 and 60/185 of 22 December 2005,

Gravely concerned that the use of unilateral coercive economic measures adversely affects the economy and development efforts of developing countries in particular and has a general negative impact on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system,

Recognizing that such measures constitute a flagrant violation of the principles of international law as set forth in the Charter, as well as the basic principles of the multilateral trading system,

1. *Takes note* of the report of the Secretary-General;[2]

[1] Resolution 2625 (XXV), annex.
[2] A/62/210.

2. *Urges* the international community to adopt urgent and effective measures to eliminate the use of unilateral coercive economic measures against developing countries that are not authorized by relevant organs of the United Nations or are inconsistent with the principles of international law as set forth in the Charter of the United Nations and that contravene the basic principles of the multilateral trading system;

3. *Calls upon* the international community to condemn and reject the imposition of the use of such measures as a means of political and economic coercion against developing countries;

4. *Requests* the Secretary-General to continue to monitor the imposition of measures of this nature and to study the impact of such measures on the affected countries, including the impact on trade and development;

5. *Also requests* the Secretary-General to submit to the General Assembly at its sixty-fourth session a report on the implementation of the present resolution.

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19 December 2007

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Resolution adopted by the General Assembly

[*on the report of the Second Committee (A/62/417/Add.1)*]

62/184. International trade and development

The General Assembly,

Recalling its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002, 58/197 of 23 December 2003, 59/221 of 22 December 2004, 60/184 of 22 December 2005 and 61/186 of 20 December 2006 on international trade and development, and recalling also the provisions of the United Nations Millennium Declaration[1] pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development,[2] the World Summit on Sustainable Development[3] and the 2005 World Summit Outcome,[4]

Recalling also its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

Reaffirming the value of multilateralism to the global trading system and the commitment to achieving a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment generation in all sectors, and emphasizing that bilateral and regional trading arrangements should contribute to the goals of the multilateral trading system,

Stressing the importance of open, transparent, inclusive, democratic and more orderly processes and procedures for the effective functioning of the multilateral trading system, including in the decision-making process, so as to enable developing countries to have their vital interests duly reflected in the outcome of trade negotiations,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

[4] See resolution 60/1.

Reiterating that development concerns form an integral part of the Doha Development Agenda, which places the needs and interests of developing and least developed countries at the heart of the Doha Work Programme,[5]

Noting that agriculture lags behind the manufacturing sector in the process of establishment of multilateral disciplines and in the reduction of tariff and non-tariff barriers and that, since most of the world's poor make their living from agriculture, the livelihood and standards of living of many of them are seriously jeopardized by the serious distortions in production and trade in agricultural products caused by the high levels of export subsidies, trade-distorting domestic support and protectionism by many developed countries,

Taking note of the report of the Trade and Development Board[6] as well as the report of the Secretary-General,[7]

1. *Expresses serious concern* at the lack of substantial progress on the trade negotiations of the World Trade Organization and considers it a serious setback for the Doha Round, and calls upon the developed countries to demonstrate the flexibility and political will necessary for breaking the current impasse in the negotiations, and also calls upon all members of the World Trade Organization to adhere to the development mandate of the Doha Ministerial Declaration,[5] the decision of the General Council of the World Trade Organization of 1 August 2004[8] and the Hong Kong Ministerial Declaration,[9] which places development at the heart of the multilateral trading system;

2. *Stresses* that in order for the Doha Round to be concluded satisfactorily, the negotiations should result in the establishment of rules and disciplines in the area of agriculture, adhering to the development mandate of the Doha Ministerial Declaration, the decision of the General Council of the World Trade Organization of 1 August 2004 and the Hong Kong Ministerial Declaration;

3. *Also stresses* the need for negotiations of the World Trade Organization in non-agricultural market access to live up to the development mandate of the Doha Ministerial Declaration, the decision of the General Council of the World Trade Organization of 1 August 2004 and the Hong Kong Ministerial Declaration;

4. *Further stresses* the need for negotiations of the World Trade Organization to make substantial progress in all areas under the single undertaking such as services, rules and trade facilitation so as to ensure that the development concerns of developing countries are fully reflected in any outcome consistent with the development mandate of the Doha Ministerial Declaration, the decision of the General Council of the World Trade Organization of 1 August 2004 and the Hong Kong Ministerial Declaration;

5. *Underlines* the fact that the increasing interdependence of national economies in a globalizing world and the emergence of rule-based regimes for international economic relations have meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade,

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[5] See A/C.2/56/7, annex.

[6] A/62/15 (Parts I-IV) and corrigenda. For the final text, see *Official Records of the General Assembly, Sixty-second Session, Supplement No. 15*.

[7] A/62/266.

[8] World Trade Organization, document WT/L/579. Available from http://docsonline.wto.org.

[9] World Trade Organization, document WT/MIN(05)/DEC. Available from http://docsonline.wto.org.

investment and industrial development, is now often framed by international disciplines, commitments and global market considerations, that it is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space, and that it is particularly important for developing countries that all countries take into account the need for appropriate balance between national policy space and international disciplines and commitments;

6. *Expresses its deep concern* at the imposition of laws and other forms of coercive economic measures including unilateral sanctions against developing countries, which undermine international law and the rules of the World Trade Organization, and also severely threaten the freedom of trade and investment;

7. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization[5] and at the Third United Nations Conference on the Least Developed Countries,[10] in this regard calls upon developed countries that have not already done so to provide immediate predictable, duty-free and quota-free market access on a lasting basis to all products originating from all least developed countries by 2008, also calls upon developing countries that are in a position to do so to extend duty-free and quota-free market access to exports of these countries, and in this context reaffirms also the need to consider additional measures for progressive improvement in market access for least developed countries, and reaffirms further the need for members of the World Trade Organization to take additional measures to provide effective market access both at the border and otherwise, including simplified and transparent rules of origin so as to facilitate exports from least developed countries;

8. *Also reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of countries with small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration and paragraph 21 of the Hong Kong Ministerial Declaration;

9. *Recognizes* the special problems and needs of the landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, calls, in this regard, for the full and effective implementation of the Almaty Programme of Action,[11] and stresses the need for the implementation of the São Paulo Consensus, [12] in particular paragraphs 66 and 84 thereof, by the relevant international organizations and donors in a multi-stakeholder approach;

10. *Also recognizes* the need to ensure that the comparative advantage of developing countries is not undermined by any form of protectionism, including the arbitrary and abusive use of non-tariff measures, non-trade barriers and other standards to unfairly restrict the access of products of developing countries particularly to developed countries' markets, reaffirms, in this regard, that

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[10] See A/CONF.191/13.

[11] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

[12] TD/412, part II.

developing countries should play an increasing role in the formulation of, inter alia, safety, environment and health standards, and recognizes the need to facilitate the increased and meaningful participation of the developing countries in the work of relevant international standard-setting organizations;

11. *Further recognizes* that South-South trade should be enhanced and further market access should continue to stimulate South-South trade;

12. *Recognizes* the role that a successful conclusion of the ongoing third round of negotiations on the Global System of Trade Preferences among Developing Countries can play in South-South trade;

13. *Calls for* accelerating the work on the development-related mandate concerning the Agreement on Trade-related Aspects of Intellectual Property Rights[13] in the Doha Ministerial Declaration, especially on issues of making intellectual property rules fully support the objectives of the Convention on Biological Diversity;[14] and the issues related to the Agreement and public health afflicting many developing countries, including the least developed countries, especially those issues arising from the HIV/AIDS, tuberculosis, malaria and other epidemics;

14. *Requests* the Secretary-General to present in his report on the implementation of the present resolution the options available with respect to enhancing the role of the United Nations in accelerating the work on the development agenda of the Agreement on Trade-related Aspects of Intellectual Property Rights;

15. *Calls for* facilitating the accession of all developing countries that apply for membership in the World Trade Organization, in particular the least developed countries, as well as countries emerging from conflict that are least developed countries, bearing in mind paragraph 21 of resolution 55/182 of 20 December 2000 and subsequent developments, and also calls for the effective and faithful application of the World Trade Organization guidelines on accession by the least developed countries;

16. *Emphasizes* the need for further work to foster greater coherence between the multilateral trading system and the international financial system, and invites the United Nations Conference on Trade and Development, in fulfilment of its mandate, to undertake the relevant policy analysis in those areas and to operationalize such work, including through its technical assistance activities;

17. *Invites* donors and beneficiary countries to implement the recommendations of the Task Force on the Aid for Trade Initiative established by the Director-General of the World Trade Organization, which aims to support developing and least developed countries in building their supply and export capacities, including infrastructure and institutions development, and the need to increase their exports, and stresses in this regard the urgent need for its effective operationalization with sufficient additional, non-conditional and predictable funding;

18. *Welcomes* the effort being made for operationalization of the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries with increased additional, non-conditional and predictable financial

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[13] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

[14] United Nations, *Treaty Series*, vol. 1760, No. 30619.

resources to enhance the export and supply capacities of the least developed countries, and urges the development partners to increase their contributions to the Integrated Framework Trust Fund on a multi-year basis;

19. *Reiterates* the important role of the United Nations Conference on Trade and Development as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, and calls upon the international community to work towards the strengthening of the Conference, to enable it to enhance its contribution in its three major pillars, namely, consensus-building, research and policy analysis, and technical assistance, especially through increased core resources of the Conference;

20. *Welcomes* the convening of the twelfth session of the United Nations Conference on Trade and Development in Accra from 20 to 25 April 2008, and looks forward to the discussion aimed at addressing the opportunities and challenges of globalization for development, especially for developing countries;

21. *Invites* the United Nations Conference on Trade and Development, in accordance with its mandate, to monitor and assess the evolution of the international trading system and of trends in international trade from a development perspective, and, in particular, to analyse issues of concern to developing countries, supporting them in building capacities to establish their own negotiating priorities and negotiate trade agreements, including under the Doha Work Programme;[5]

22. *Reaffirms* the fundamental role that competition law and policy can play for sound economic development and the validity of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices,[15] as well as the important and useful role that the United Nations Conference on Trade and Development plays in this field, and decides to convene in 2010, under the auspices of the United Nations Conference on Trade and Development, a sixth United Nations conference to review all aspects of the Set;

23. *Urges* donors to provide the United Nations Conference on Trade and Development with the increased resources necessary to deliver effective and demand-driven assistance to developing countries, as well as to enhance their contributions to the trust funds of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

24. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution and on developments in the multilateral trading system, under the sub-item entitled "International trade and development" of the item entitled "Macroeconomic policy questions";

25. *Also requests* the Secretary-General to transmit the present resolution to the Director-General of the World Trade Organization for circulation as an official document of the World Trade Organization.

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[15] A/C.2/35/6, annex.

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[*on the report of the Second Committee (A/62/417/Add.2)*]

62/185. International financial system and development

The General Assembly,

Recalling its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled "Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity", as well as its resolutions 57/241 of 20 December 2002, 58/202 of 23 December 2003, 59/222 of 22 December 2004, 60/186 of 22 December 2005 and 61/187 of 20 December 2006,

Recalling also the United Nations Millennium Declaration[1] and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[2] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3]

Recalling further the 2005 World Summit Outcome,[4]

Recalling its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals, and its resolution 61/16 of 20 November 2006 on strengthening of the Economic and Social Council,

Emphasizing that the international financial system should further sustain economic growth and support sustainable development and hunger and poverty eradication efforts, while allowing for the coherent mobilization of all sources of financing for development, including the mobilization of domestic resources, international investment flows, official development assistance, external debt relief

[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August–4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[4] See resolution 60/1.

and an open, equitable, rule-based, predictable and non-discriminatory global trading system,

Stressing the importance of commitment to sound domestic financial sectors, which make a vital contribution to national development efforts, as an important component of an international financial architecture that is supportive of development,

Stressing also that good governance at the international level is fundamental for achieving sustainable development, reiterating in this regard the importance of promoting global economic governance by addressing the international finance, trade, technology and investment patterns that have an impact on the development prospects of developing countries in order to ensure a dynamic and enabling international economic environment, and reiterating also that, to this effect, the international community should take all necessary and appropriate measures, including ensuring support for structural and macroeconomic reform, finding a comprehensive solution to the external debt problem and increasing the market access of developing countries,

Reaffirming the commitment to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting, stressing to that end the importance of continuing efforts to reform the international financial architecture, and acknowledging the need for continued discussion on the issue of the voting power of developing countries in the Bretton Woods institutions, which remains a concern,

Recognizing the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness in order to complement national development efforts to ensure sustained economic growth and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Emphasizing the need for additional, stable and predictable financing to assist developing countries to undertake their investment plans and strategies to achieve the internationally agreed development goals, including the Millennium Development Goals,

Recognizing, in this regard, the value of developing innovative sources of financing from various sources, on a public, private, domestic and external basis, to increase and supplement traditional sources of financing,

Welcoming the contribution to the mobilization of resources for development through innovative financing initiatives taken by groups of Member States,[5]

Reiterating the need to strengthen the leadership role of the United Nations in promoting development,

1. *Takes note* of the report of the Secretary-General;[6]

2. *Notes* that global economic growth and a stable international financial system, inter alia, can support the ability of developing countries to achieve the internationally agreed development goals, including the Millennium Development

[5] Including the International Drug Purchase Facility-UNITAID, the International Finance Facility for Immunization and a pilot project within the Advance Market Commitment Initiative.

[6] A/62/119.

Goals, and stresses the importance of cooperative and coordinated efforts by all countries and institutions to cope with the risks of financial instability;

3. *Emphasizes* that economic growth should be further strengthened and sustained, noting that global economic growth depends on national economic growth and that the implementation of sound macroeconomic policies at all levels could significantly contribute to a revitalization of economic growth;

4. *Stresses* the importance of the United Nations playing a fundamental role in the promotion of international cooperation for development and in discussing international economic and development policies;

5. *Notes* the holding of the annual meeting of the International Monetary Fund, in October 2007, stresses the importance of early agreement on a credible and time-bound package of quota and voice reforms in the Fund, reiterates the need to effectively address the issue of enhancing the voice and participation of developing countries in the Bretton Woods institutions, encourages the Bretton Woods institutions to take further and effective measures, and invites the World Bank and the Fund to continue to provide information on this issue, using existing cooperation forums, including those involving Member States;

6. *Reiterates its invitation* to the World Bank, the International Monetary Fund, the regional development banks and other relevant institutions to further integrate development dimensions into their strategies and policies, consistent with their respective mandates, and to fully implement the principles stated in those strategies and policies, in particular the objectives of pro-poor growth and poverty reduction;

7. *Notes* that developing countries as a whole continue to experience a net outflow of financial resources, and reiterates its request to the Secretary-General, in continuing collaboration with international financial institutions and other relevant bodies, to analyse the range of reasons and consequences for this in his report under this item;

8. *Also notes* that some developing countries have net inflows of financial resources, and reiterates its request to the Secretary-General, in continuing collaboration with international financial institutions and other relevant bodies, to analyse the range of reasons and consequences for this in his report under this item;

9. *Takes note* of the efforts of central banks, regulatory bodies and financial institutions to mitigate the global economic impacts of financial volatility resulting from adjustable-rate mortgage losses and related imbalances in developed economies, and encourages those bodies to further continue such efforts;

10. *Underlines* the importance of promoting international financial stability and sustainable growth, and welcomes the efforts undertaken to this end by the International Monetary Fund and the Financial Stability Forum, as well as the consideration by the International Monetary and Financial Committee of ways to sharpen tools designed to promote international financial stability and enhance crisis prevention, inter alia, through an even-handed implementation of surveillance, including at the regional level, and a sharpening of surveillance of capital markets and systemically and regionally important countries, with a view, inter alia, to the early identification of problems and risks, integrating debt sustainability analysis, the fostering of appropriate policy responses, the possible provision of financing and other instruments designed to prevent the emergence or spread of financial crises and further improvements in the transparency of macroeconomic data and statistical information on international capital flows;

11. *Also underlines* the importance of efforts at the national level to increase resilience to financial risk, stresses in this regard the importance of better assessment of a country's debt burden and its ability to service that debt in both crisis prevention and resolution, and welcomes the ongoing work of the International Monetary Fund in assessing debt sustainability;

12. *Recognizes* the need for multilateral surveillance to remain at the centre of crisis prevention efforts and that surveillance should focus not only on crisis-prone countries but also on the stability of the system as a whole;

13. *Reiterates* that measures to mitigate the impact of excessive volatility of short-term capital flows and to improve transparency of and information about financial flows are important and must be considered;

14. *Notes* the impact of financial crises or risk contagion in developing countries and countries with economies in transition, regardless of their size, and in this regard welcomes the efforts of the international financial institutions, in their support to countries, to continuously adapt their array of financial facilities and resources, drawing on a full range of policies, taking into account the effects of economic cycles, as and where appropriate, having due regard to sound fiscal management and the specific circumstances of each case, so as to prevent and respond to such crises in a timely and appropriate way;

15. *Underlines* the importance of competitive and inclusive private and public financial markets in mobilizing and allocating savings towards productive investment and thus making a vital contribution to national development efforts and to an international financial architecture that is supportive of development;

16. *Encourages* regional cooperation, including through the private sector and public-private partnerships, to intermediate between savings and demand for long-term investment in developing countries, including the development, where appropriate, of regional bond markets;

17. *Welcomes* the launching of initiatives, including South-South initiatives and triangular cooperation, to support and accelerate the sustained social and economic development of developing countries;

18. *Invites* the international financial and banking institutions to consider enhancing the transparency of risk-rating mechanisms, noting that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis, and encourages relevant development institutions, including the United Nations Conference on Trade and Development, to continue their work on this issue, including its potential impact on the development prospects of developing countries;

19. *Stresses* the importance of strong domestic institutions in promoting business activities and financial stability for the achievement of growth and development, inter alia, through sound macroeconomic policies and policies aimed at strengthening the regulatory systems of the corporate, financial and banking sectors, and also stresses that international cooperation initiatives in those areas should encourage flows of capital to developing countries;

20. *Emphasizes* that it is essential to ensure the effective and equitable participation of developing countries in the formulation of financial standards and codes, underlines the need to ensure their implementation, on a voluntary and progressive basis, as a contribution to reducing vulnerability to financial crisis and contagion, and notes that more than one hundred countries have participated in or

agreed to participate in the joint World Bank-International Monetary Fund financial sector assessment programme; [7] and encourages countries that are not yet participating in the programme to consider doing so;

21. *Notes* the proposal to use special drawing rights allocations for development purposes, and considers that any assessment of special drawing rights allocations must respect the Articles of Agreement of the International Monetary Fund and the established rules of procedure of the Fund, which requires taking into account the global need for liquidity at the international level;

22. *Invites* the multilateral and regional development banks and development funds to continue to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, and stresses that strengthened regional development banks and subregional financial institutions add flexible financial support to national and regional development efforts, thus enhancing their ownership and overall efficiency, and are an essential source of knowledge and expertise for their developing-country members;

23. *Calls for* the continued effort of the multilateral financial institutions, in providing policy advice, technical assistance and financial support to member countries, to work on the basis of nationally owned reform and development strategies, to pay due regard to the special needs and implementing capacities of developing countries and countries with economies in transition and to minimize the negative impacts of the adjustment programmes on the vulnerable segments of society, while taking into account the importance of gender-sensitive employment and hunger and poverty eradication policies and strategies;

24. *Stresses* the need to continuously improve standards of corporate and public sector governance, including accounting, auditing and measures to ensure transparency, noting the disruptive effects of inadequate policies;

25. *Requests* the Secretary-General to submit a report to the General Assembly at its sixty-third session on the implementation of the present resolution;

26. *Decides* to include in the provisional agenda of its sixty-third session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "International financial system and development".

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[7] See A/59/218 and Corr.1, para. 15.

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62/186. External debt and development: towards a durable solution to the debt problems of developing countries

The General Assembly,

Recalling its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004, 60/187 of 22 December 2005 and 61/188 of 20 December 2006 on external debt crisis and development,

Recalling also the International Conference on Financing for Development and its outcome,[1] which recognizes sustainable debt financing as an important element for mobilizing resources for public and private investment,

Recalling further the United Nations Millennium Declaration adopted on 8 September 2000,[2]

Recalling the 2005 World Summit Outcome,[3]

Recalling also its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

Recalling further its resolution 57/270 B of 23 June 2003,

Reaffirming that each country must take primary responsibility for its own development and that the role of national policies and development strategies, including in the area of debt management, cannot be overemphasized in the achievement of sustainable development, and recognizing that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,

Emphasizing that debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability and effective debt management to

[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[2] See resolution 55/2.

[3] See resolution 60/1.

invites the International Monetary Fund and the World Bank, in their assessment of debt sustainability, to take into account fundamental changes caused by, inter alia, natural disasters, conflicts and changes in global growth prospects or in the terms of trade, especially for commodity-dependent developing countries, as well as by the impact of developments in financial markets, and to continue to provide information on this issue using existing cooperation forums, including those involving Member States;

5. *Underlines* the fact that the long-term sustainability of debt depends, inter alia, on the economic growth, mobilization of domestic resources and export prospects of debtor countries and, hence, on the creation of an enabling international environment conducive to development, progress in following sound macroeconomic policies, transparent and effective regulatory frameworks and success in overcoming structural development problems;

6. *Notes with appreciation* the progress under the Heavily Indebted Poor Countries Initiative and Multilateral Debt Relief Initiative, calls for their full and timely implementation and the provision of additional resources to ensure that the financial capacity of the international financial institutions is not reduced, and stresses the need for all creditors to participate on an equitable basis, including non-Paris Club and commercial creditors;

7. *Emphasizes* in this regard that debt relief does not replace other sources of financing;

8. *Urges* donors to ensure that their commitments to the Multilateral Debt Relief Initiative and the Heavily Indebted Poor Countries Initiative are additional to existing aid flows, emphasizes that full compensation by donors on the basis of fair burden-sharing for the Multilateral Debt Relief Initiative costs of relevant financial institutions is essential, calls for continued support to countries to complete the Heavily Indebted Poor Countries Initiative process, and encourages all parties, both creditors and debtors, to fulfil their commitments as rapidly as possible in order to complete the debt relief process;

9. *Notes with concern* that, in spite of the progress achieved, some countries that have reached the completion point of the Heavily Indebted Poor Countries Initiative have not been able to achieve lasting debt sustainability, stresses the importance of promoting responsible borrowing and lending and the need to help those countries to manage their borrowing and to avoid a build-up of unsustainable debt, including through capacity-building in the area of debt management and the use of grants and concessional loans, underlines the important role of the joint Debt Sustainability Framework of the International Monetary Fund and the World Bank for low-income countries in guiding borrowing and lending decisions, and encourages continued review of the Framework, with the full engagement of borrower Governments in an open and transparent manner;

10. *Encourages* further improving the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers;

11. *Reiterates its invitation* to the World Bank and the International Monetary Fund to keep the overall implications of the Debt Sustainability Framework for low-income countries under review, calls for transparency in the computation of the country policy and institutional assessments, and takes note of the disclosure of the country performance ratings of the International Development Association that form part of the Framework;

12. *Welcomes and encourages* the efforts of the heavily indebted poor countries, calls upon them to continue to strengthen their domestic policies and economic management, inter alia through poverty reduction strategies, and to create a domestic environment conducive to private-sector development, economic growth and poverty reduction, including a stable macroeconomic framework, transparent and accountable systems of public finance, a sound business climate and a predictable investment climate, and in this regard invites creditors, both private and public, that are not yet fully participating in debt relief initiatives to substantially increase their participation, including by providing comparable treatment to the extent possible to debtor countries that have concluded sustainable debt relief agreements with creditors, and invites the international financing institutions and the donor community to continue to provide adequate and sufficiently concessional financing;

13. *Stresses* that debt relief can play a key role in liberating resources that should be directed towards activities consistent with poverty eradication, sustained economic growth, sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals, and in this regard urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards those objectives;

14. *Calls for* the consideration of additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based financing, cancellation of 100 per cent of the eligible official multilateral and bilateral debt of heavily indebted poor countries and, where appropriate and on a case-by-case basis, significant debt relief or restructuring for low- and middle-income developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative, as well as the exploration of mechanisms to comprehensively address the debt problems of those countries;

15. *Encourages* the Paris Club, in dealing with the debt of low- and middle-income debtor countries that are not part of the Heavily Indebted Poor Countries Initiative to take into account their medium-term debt sustainability in addition to their financing gaps, and takes note with appreciation of the Evian approach of the Paris Club in providing terms of debt relief tailored to the specific needs of debtor countries while preserving debt cancellation for heavily indebted poor countries;

16. *Stresses* the need to significantly address the debt problems of middle-income developing countries, and in this regard stresses the importance of the Evian approach of the Paris Club as a practical means to address this issue, and notes that the current debt sustainability framework used to analyse the debt situation of middle-income countries focuses mostly on medium-term debt dynamics;

17. *Notes* that several developing countries have been able to reduce their external public debt by issuing more domestic debt to pay off foreign currency liabilities, appreciates that, while this switch in debt structure substantially reduces the foreign exchange risk of public debt liabilities, the levels of domestic debt could create other challenges for macroeconomic management and public debt sustainability, and calls for a reinforcing capacity to manage the new levels of domestic debt in order to maintain the overall public debt sustainability;

18. *Also notes* that some low- and middle-income developing countries that are not included in existing debt relief initiatives also experience constraints in mobilizing the resources needed to achieve the internationally agreed development goals;

19. *Invites* creditors and debtors to continue to use, where appropriate and on a case-by-case basis, mechanisms such as debt swaps for alleviating the debt burden of low- and middle-income developing countries with an unsustainable debt burden that are not eligible for the Heavily Indebted Poor Countries Initiative, and takes note of the discussions and assessment by the Paris Club of the proposal for "Debt for Equity in Millennium Development Goal Projects";

20. *Stresses* the need to continue to take effective measures, preferably within the existing frameworks, to address the debt problems of the least developed countries, including through cancellation of the multilateral and bilateral debt owed by least developed countries to creditors, both public and private;

21. *Invites* donor countries, taking into account country-specific debt sustainability analyses, to continue their efforts to increase bilateral grants to developing countries, which could contribute to debt sustainability in the medium to long term, and recognizes the need for countries to be able to invest, inter alia, in health and education while maintaining debt sustainability;

22. *Notes* that credit-rating agencies play an important role in determining countries' access to international capital markets and the cost of such borrowing, and, in this regard, calls upon the international financial and banking institutions to consider enhancing the transparency of risk-rating mechanisms, and notes that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis;

23. *Welcomes* the efforts of and calls upon the international community to provide flexibility, and stresses the need to continue those efforts in helping post-conflict developing countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development;

24. *Also welcomes* the efforts of and invites creditors to provide flexibility to developing countries affected by natural disasters on a case-by-case basis so as to allow them to address their debt concerns;

25. *Further welcomes* the efforts of and calls upon the international community to support institutional capacity-building in developing countries for the management of financial assets and liabilities and to enhance sustainable debt management as an integral part of national development strategies;

26. *Invites* the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to continue cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability;

27. *Invites* the international community, including the United Nations system, to continue efforts to increase financial support in respect of capacity-building activities for developing countries in the area of debt management and debt sustainability, and encourages countries to create transparent and accountable debt management systems;

28. *Calls upon* all Member States and the United Nations system, and invites the Bretton Woods institutions and the private sector, to take appropriate measures and actions for the implementation of the commitments, agreements and decisions

of the major United Nations conferences and summits, in particular those related to the question of the external debt problems of developing countries;

29. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt situation and debt-servicing problems of developing countries and a review of debt management capacity-building efforts, particularly those of the United Nations system;

30. *Decides* to include in the provisional agenda of its sixty-third session, under the item entitled "Macroeconomic policy questions", a sub-item entitled "External debt and development: towards a durable solution to the debt problems of developing countries".

78th plenary meeting
19 December 2007